



JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

# State of Utah Department of Commerce

## Division of Securities

FRANCINE A. GIANI  
*Executive Director*

THAD LEVAR  
*Deputy Director*

WAYNE KLEIN  
*Director of Securities*

### NEWS RELEASE

November 9, 2007

#### **Ex-Con, Associates Sentenced on Convictions for Mortgage Loan Investment Scheme** ***Investors were told their money was guaranteed to earn 20%, but lost \$40,000 ...***

**SALT LAKE CITY, Utah** – Three promoters of an investment scheme in a mortgage loan company were sentenced today. Those sentenced were Robert M. Fain, of Cottonwood Heights, Daron W. LeBlanc, of Orem, and Antonius (Tony) M. Versteeg, of Sandy. The men pleaded guilty to securities fraud for taking \$55,000 in investments from a family, claiming the money would be used to place kiosks in shopping malls to generate leads for mortgage loans and loan refinancing. The investors were promised 20% return.

One of the investors was solicited by LeBlanc, a co-worker, in May 2002. LeBlanc showed the investor a spreadsheet for American Mortgage Alliance (AMA) and said the company would generate a profit. When the investor said he did not have money to invest, LeBlanc suggested getting a second mortgage on the investor's home. The investor was later encouraged to take out an additional home loan. His parents also were encouraged to invest. Fain, LeBlanc and Versteeg were all managers of the mortgage loan company.

The investors were not told that Fain had been charged with securities fraud in a 1996 criminal case and had been ordered to pay \$308,850 in restitution in that case, that two of the defendants had previously filed for bankruptcy, and that all the defendants owed unpaid judgments against them.

All three were sentenced to prison, but the prison sentences were suspended and they were put on probation. They all are ordered to repay \$39,370 in restitution, representing the investment amount not already repaid. At least a third must be paid within a year. Each must also perform 100 hours of community service. Fain was fined \$10,000, but payment of the fine was suspended so the money could go to the victims.

The criminal case was prosecuted by the Financial Crimes Unit of the Utah Attorney General's Office. The Division of Securities also brought an administrative enforcement action on June 26, 2007 against these three defendants and three companies they operated: American Mortgage Alliance, National Mortgage Alliance, and Real Prints, Inc. Default orders have been entered against Fain and the companies. Proceedings are continuing against Versteeg and LeBlanc in the administrative enforcement action.